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## THE PROBLEM OF GOVERNMENTAL RE- ORGANIZATION <sup>1</sup>

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THE trial of democracy did not begin with the invasion of Belgium; nor did it end with the Treaty of Versailles. To the systems of government that we call democracies the war brought unprecedented strain; but it also aroused unprecedented spiritual fervor for the carrying of that strain. Democracy is on trial no less in peace than it was in war. Everywhere throughout the Western world vigorous voices of criticism and of protest can be heard—voices not only of febrile revolutionists but also of thoughtful men and women who realize that there is enough of soundness and of beneficence in the existing order to make it worth while to admit its mutability, to look its deficiencies squarely in the face, and courageously and energetically to work for its betterment.

Democracy is a lumbering machine. It must be rendered more efficiently serviceable. Thinking people understand why this is so and how important a series of undertakings it involves. But you cannot stimulate the people of America to flag-waving and drum-beating enthusiasm over such a program. Regrettable as it may be, I do not believe that we as a people are greatly interested in either economy or efficiency. The people need both, whether they are interested or not. But we are not a thrifty people by nature, habit, or economic condition. We are, moreover, extremely complacent. Unhappily with us the most efficient of governments is not necessarily the most popular. Indeed it may be quite the opposite; for efficiency in government is apt to raise a storm of opposition among those who are immediately affected and to leave quite cold the great mass of the people in whose interest it is undertaken. Popularity in politics is not infrequently a child of

<sup>1</sup> Introductory address as presiding officer at the first session of the Academy Meeting, New York, May 23, 1921.

somewhat uncertain—not to say highly questionable—parentage. At any rate it is perfectly apparent that the movement for improving the processes of democracy in their fiscal and organic aspects is a movement that must be carried forward by a relatively small number of far-seeing and determined persons.

In coupling the subject of retrenchment with that of administrative reorganization there is, I think, a fairly concealed pitfall for the unwary. Manifestly there is a close relation between the two. It is almost inconceivable that an orderly budget system could be set down upon a disorderly administrative system and be made to function with adequacy. I do not wish to strike a note of disharmony or of disheartenment. We are not in this Academy conference attempting to put anything across by exaggeration, but to discuss the facts as we see them. We ought to recognize, therefore, that through many years we have been undaunted worshippers at the shrine of governmental reorganization. When anything goes wrong with the human machine that we call the government, it seldom occurs to us that the trouble lies in the quality of the personnel. Almost immediately somebody lays the blame upon the kind of organization that prevails, and proposals to reorganize are brought forward. Apparently we have unshakeable faith in the mystic potency of the law as a ready remedy for every evil that attacks the body of our politics. Indeed not a little of the disarray in our administrative organization which ought to be eliminated by a thoroughgoing overhauling can be properly ascribed to this very faith, expressing itself, as it often has, in hasty and piecemeal reorganization undertaken with the end in view of alleviating this or that alleged malady. So much of value can nevertheless be accomplished by the establishment of a scientific budget system and a reasonable reorganization of some of the administrative activities of the national government that we should have no hesitancy in recognizing the limitations that inhere in these related proposals. Perhaps I may be permitted to point out one or two of these.

Those who sanguinely suppose that either of these reforms is going to result in any enormous or even very substantial reduction of expenditures are, I fear, doomed to disillusionment. Apart from the fact that so overwhelming a part of

our national revenue is expended upon the national debt and the maintenance of the military and naval establishments, it is perfectly evident, when we get down to hard reality, that the margin of possible saving even in the most scientific of budgets is relatively small. It is absurd to assume that either budget system or administrative reorganization can be inaugurated without reference to and constant consideration of the existing personnel establishments of the government. In plain fact those establishments operate as a mandate for expenditure that is far more binding than any mere mandate of the law. We cannot set out to build and operate a new house; we can only remodel an old house and operate it largely with the force already in service. There is no such thing as starting anew, unless the government is prepared to adopt a policy of ruthlessness which not even a private enterprise would pursue and which, needless to say, the public would not for a moment tolerate. Standardization of work and of pay is an excellent thing to struggle toward; but it is an extraordinarily difficult thing to accomplish in an existing establishment of large and ramifying dimensions. It is indeed next to impossible of complete realization. Unquestionably money can be saved here and there and service can be improved by reorganization and by improved budgetary methods. But so long as practically the whole of the existing establishment constitutes in effect a fixed charge, the net result cannot be relatively large financially. It would be none the less important. To my mind its importance would lie not in the comparatively small saving of dollars or improvement of service, but in the example of orderliness and decency and of sense of responsibility which the government ought to set. The government should be not only a model employer but also a model housekeeper. I sometimes think that we scarcely realize the extent of the pernicious influence that is now exerted by the shiftless and irresponsible fashion in which public affairs are so often managed.

Every student of American politics knows how the edifice of our administrative organization has grown into gigantic being at the hands of the changing architects of successive Congresses. That it is not more rambling than it is is the most remarkable thing about it. That it is in need of both

interior and exterior alterations with reference to the relation and unrelation of its numerous services is undeniable. But here again it is easy to become over-enthusiastic about "scientific" organization. The truth of the matter is that in any large enterprise where a multiplicity of services are performed there is no single scheme of organization that can claim any exclusive right to be called scientific. Even from the point of view of relation of function there are invariably possible alternatives. To argue that such alternatives do not exist is merely to be innocent or opinionated or—worse than these—academic. In every large department store in New York the shopper will occasionally find a departmental organization for the offering of goods that strikes him, in his journey from cellar to attic, as highly unscientific from the viewpoint of his own peculiar needs. The reason is size and variety. From both of these qualities the government suffers in the matter of effective organization. Even so, the glaring anomalies that prevail are sufficiently numerous to call for a complete survey of the entire administration and a readjustment of services to the end of creating a more logical functional arrangement.

For many years we have heard a great deal of advocacy of putting the government upon a business basis. Again and again it has been asserted that the conduct of government is nothing more nor less than the conduct of business; and the methods and achievements of private business in America have been set in laudatory contrast with the methods and achievements of our various units of government. In my judgment this contrast has been sadly overworked. I need not point out that the aims and purposes of our government are different, if not indeed opposite, to those of private business; and that aims and purposes cannot fail to affect methods and achievements. Personally I should regret to see the government put wholly upon a business basis even if that were possible—which happily it is not. It is true that many of the activities of government appear to be identical with those of business. In the purchase of supplies, in the acquisition of land and the erection of buildings, in the employment and direction of large numbers of persons, in bookkeeping and accounting, and in many other respects the government seems to be carrying on merely business operations. But it should not be ignored that these oper-

ations are carried on under legal limitations that are unknown to private business. There is probably not a bureau chief in Washington who could not greatly improve the service of his bureau and somewhat reduce its expenditures if he were not faced with the formidable obstacle of the law. He is straight-jacketed by its infinite minutiae. Shall we then move to dispense with the detailed statutes by which the administration is subjected to control? If official competence and honesty can be assumed, it is undeniable that many of the detailed regulations with which the law now encompasses the administrator could profitably be erased from the statute books. But that is not the American way. For generations we have been making officials good and wise by statute. To abandon this practice would be truly revolutionary. Perhaps in the course of time we may come to it by a gradual process. In the meantime we must bear in mind that the law is responsible for many an administrative absurdity. We must bear in mind also that administrative reform must be the work of Congress and not of the Executive. Indeed it is not far from true to say that administrative reform presupposes at least a measure of congressional reform.